

Action plan for accountancy

Document will detail demand and supply, and how the profession should be regulated

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PETALING JAYA: Malaysia's accountancy sector is expected to get a much-needed action plan by the year-end. The document will contain recommendations that mainly address the demand and supply of accountants in the country for the next several years, and how the profession should be regulated.

Led by the Securities Commission (SC), the multi-agency committee working on the project had recently agreed on the initiatives to pursue and the relevant timelines. The committee will next gather input from the many stakeholders in the public and private sectors.

The Committee to Strengthen the Accountancy Profession is chaired by SC executive director Nik Mohamed Hasyudeen Yusoff, who is

also executive chairman of the Audit Oversight Board and a former president of the Malaysian Institute of Accountants (MIA).

The other members represent the Finance Ministry, Bank Negara, the Companies Commission of Malaysia, the Accountant General's Department and MIA.

Nik Hasyudeen told *StarBiz* that

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Who's who in the Committee to Strengthen the Accountancy Profession



Nik Mohd Hasyudeen Yusoff (chairman)
 Executive director,
 Securities Commission



Dr Chen Chaw Min
 Deputy under-
 secretary, Finance
 Ministry



Jessica Chew Cheng Lian
 Assistant governor,
 Bank Negara



Nor Azimah Abdul Aziz
 Director, Companies
 Commission Malaysia



Nik Hapsah Nik Hassan
 Director, Accountant
 General's Department



Datuk Mohamed Nasir Ahmad
 President, Malaysian
 Institute of Accountants

Committee will review training, qualification framework

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one of the committee's primary tasks was to assess the country's demand for accountants, particularly in light of the various developmental plans that had been launched in the past couple of years, such as the Capital Market Masterplan 2, the Financial Sector Blueprint 2011-2020 and the SME Masterplan (2012-2020).

In addition, the projects under the Economic Transformation Programme (ETP) are expected to boost the need for accounting services.

"There's a need to look at the demand for accountants as we head towards 2020, and the competencies required to sustain the development," he added, pointing out that it was not just about the numbers.

"We must recognise that the skill-set and competencies demanded of accountants may change as the country progresses," Nik Hasyudeen said.

After working out the projected demand, the committee would then focus on the supply of accountants, including reviewing the training and qualification framework in Malaysia.

On the regulatory aspects that the committee would examine, Nik Hasyudeen said the aim was to identify regulatory impediments that might affect the efforts to boost the profession in Malaysia.

"We expect to complete our work by the end of the year and we will come up with recommendations to the Government on what needs to be done," he added.

The committee was set up in

response to the World Bank's assessment of the accounting and auditing environment in Malaysia. According to Nik Hasyudeen, after the World Bank issued the report in February 2012, the SC proposed to the Finance Ministry that a committee be formed to follow up on the findings.

Among other things, the report said there should be an independent review of the MIA's governance structure so as to find ways to improve its structure and operations. The report also recommended a review of the local university accounting degree programmes.

The World Bank said the recommendations in the report offered "the groundwork for the preparation and implementation of a country action plan geared toward the further strengthening of the regulatory

framework in what is already a strong and cohesive financial reporting and auditing system in Malaysia".

In a media briefing on March 14, in conjunction with the release of the SC's *Annual Report 2012*, chairman Datuk Ranjit Ajit Singh said that an implementation committee had been established "to formulate a country action plan on accounting and auditing".

The regulator's website has a page providing information on the committee.

It says: "The Committee to Strengthen the Accountancy Profession has been set up to formulate and recommend strategies and measures to strengthen the accountancy profession and improve the contribution of the profession in

enhancing the competitiveness of the country in line with the Government's transformation agenda."

Of late, there has been concern within the accounting fraternity and among policymakers that Malaysia is not moving fast enough to expand the economic contribution of the accountancy sector, although the ETP roadmap talked about opportunities for Malaysia to export accountancy services.

In December 2008, the Singapore government set up the Committee to Develop the Singapore Accountancy Sector, which in April 2010 came up with an 82-page final report on how to transform Singapore into a leading global accountancy hub for the Asia-Pacific region by 2020.